

**AGENDA ITEM NO. 1:
ROLL CALL**

Mayor Brian Blad called the City Council Budget Development meeting to order at 9:02 a.m. Council members present were Rick Cheatum, Linda Leeuwrik, Corey Mangum, Hayden Paulsen and Brent Nichols.

**AGENDA ITEM NO. 2:
FISCAL YEAR 2026 BUDGET DEVELOPMENT OVERVIEW:**

Gene Hill, Chief Financial Officer (CFO), gave a brief overview of budget development items to create the City's Fiscal Year 2026 Budget. Mr. Hill gave an overview of the overall economic forecast for Fiscal Year 2026 highlighting topics pertaining to inflation and historic revenue trends. He clarified that Council guidance would be necessary for departments to build budget documents, but final decisions would be made at a later date.

Council members discussed the following topics: City investment practices; revenue diversification and reporting procedures.

**AGENDA ITEM NO. 3:
FISCAL YEAR 2026 REVENUE FORECAST:**

Gene Hill, CFO, was present to discuss Fiscal Year 2026 projected revenue. Mr. Hill stated that the Association of Idaho Cities (AIC) provides data pertaining to projected revenues to cities. He reviewed projected revenue spreadsheets with Council members.

Council members discussed the following items: Projected sales tax estimates, projected liquor tax revenue; natural gas fees, cable franchise fees and new construction projections. Council members considered available excess reserve amounts, fee changes in various departments; projected enterprise revenue and available forgone funds. Council members discussed potential projects which may be accomplished using excess reserve funds.

Mr. Hill emphasized the importance of fiscal responsibility throughout the budget process while balancing the needs of citizens and providing essential services.

**AGENDA ITEM NO. 4:
FISCAL YEAR 2026 PROPOSED FEE INCREASES:**

Finance staff members and department representatives were present to discuss proposed fee increases.

Gene Hill, CFO, was present to discuss proposed fee increases for FY2025. He explained that fees are assessed for specific services to cover the cost of services provided for each department. Increases, if any, must be considered at a public hearing and all fees are set in a Fee Resolution and adopted by Council for the fiscal year.

Key topics discussed included the following: **Airport and Business Licenses:** Ensuring fees align with actual service costs. **Parks and Recreation:** Significant increases for cemetery fees to fund an endowment for long-term maintenance; program, rental, and admission fees adjusted to reflect staffing, insurance, and operating costs; new fees for Ross Park facilities; minor increases to pavilion rentals; equipment rentals and recreation program fees reviewed for competitiveness. **Building and Engineering:** Updates to building permit fees, engineering review fees, grading, and plat improvement fees; debate on valuation-based vs. per-project fees; addition of GIS dataset and aerial photography fees. **Fire Department:** Adjustments to food vendor inspection fees to align with other jurisdictions; elimination of burn permit fees due to adoption of online processing. **Planning:** Fee changes primarily due to increased publication costs; some planning activities still require taxpayer subsidy. **Sanitation and Recycling:** Fees adjusted per the 5-year rate study, with inclusion of new commercial recycling rates. **Water and Water Pollution Control (WPC):** 3% annual increases continue under the 5-year rate study; Council discussed agreements with Chubbuck for Building Department services.

Council members emphasized aligning fees with actual costs, maintaining fairness compared to industry standards and regional practices, and ensuring predictability for citizens.

Mayor Blad called a recess at 10:49 a.m.

Mayor Blad reconvened the meeting at 11:04 a.m.

**AGENDA ITEM NO. 5:
FISCAL YEAR 2026 BENEFITS AND EMPLOYEE COMPENSATION:**

Heather Buchanan, Human Resources Director, and AJ Argyle, GBS Benefits, presented proposed FY2026 benefits and compensation updates.

- **Action Item #1 - Insurance Renewal:** Pacific Source renewal capped at a 9.9% increase. Mr. Argyle articulated that due to large claims experienced, a significant increase is expected in 2027, and that the City would likely request proposals from alternative carriers.
- **Action Item #2 - Dental:** Met Life renewal presents a 9% increase.
- **Action Item #3 - EAP:** Blomquist Hale renewal reports a 4.92% increase.
- **Action Item #4 - Health Joy:** Cost of Health Joy was covered by Pacific Source in FY2025, but will not be covered in FY2026, as telehealth is available through Pacific Source. Discussion was held regarding adding or enhancing telehealth services. Staff noted limited utilization and technical issues, but benefits include reduced ER/urgent care visits and improved accessibility for dependents.

A motion was made by Ms. Leeuwrik, seconded by Mr. Mangum, to direct staff to prepare preliminary budget documents to include Action Items #1- #4, as recommended. Upon roll call, those voting in favor were Leeuwrik, Mangum, Cheatum, Nichols and Paulsen.

- **Action Item #5 - 30-hour employee benefit rates:** Ms. Buchanan gave an overview of the current rates and division of costs pertaining to benefits rates of



30-hour employees. Staff recommended to move 30-hour employees to match the full time rates for dental and vision, which matches the City's portion for medical rates.

A motion was made by Mr. Mangum, seconded by Ms. Leeuwrik, to direct staff to prepare preliminary budget documents to include Action Item #5, as recommended. Upon roll call, those voting in favor were Mangum, Leeuwrik, Cheatum, Nichols and Paulsen.

- **Action Item #6 – Tuition Reimbursement Funding Requests:** Ms. Buchanan gave an overview of the current tuition reimbursement funding requests totaling \$111,000 for all departments. Staff anticipates approximately \$20,000 to remain in the fund at the end of FY2025, once spring and summer reimbursements have been fully paid.

A motion was made by Mr. Mangum, seconded by Ms. Leeuwrik, to direct staff to prepare preliminary budget documents to include tuition reimbursement funding requests, as requested. Upon roll call, those voting in favor were Mangum, Leeuwrik, Cheatum, Nichols and Paulsen.

- **Action Item #7 – Compensation Step and Table Movement:** Ms. Buchanan gave an overview of the costs associated with a Step Movement and Table Adjustment for General Employees, Fire Union, Fire Management, Police Union and Police Management. Recommendations include a step movement for General Employees, Fire Union, Fire Management and Police Management. Police Union would receive a placement upon a new table instead of a step. Recommendations for table adjustments include 1.5% for General Employees, Fire Management and Police Management and 1.5%, as outlined in the Collective Bargaining Agreement for Fire Union employees.

A motion was made by Ms. Leeuwrik, seconded by Mr. Mangum, to direct staff to prepare preliminary budget documents to include step movement and table adjustments as recommended. Upon roll call, those voting in favor were Leeuwrik, Mangum, Cheatum, Nichols and Paulsen.

- **Action Item #8 – Adjust Overtime:** Ms. Buchanan explained that in past budget development proceedings, Council may have granted step movements, but did not adjust the overtime budget to address the increased compensation for overtime. She stated that staff recommends to increase the overtime budget line of each department 3.79%, which represents the compensation increase of steps, table adjustment and new police scale. Ms. Buchanan emphasized that in some departments, such as Street Department, Police, Fire and Water Department, overtime depends on staffing levels and seasonal demand.

A motion was made by Mr. Mangum, seconded by Ms. Leeuwrik, to direct staff to prepare preliminary budget documents to include a 3.79% increase to the overtime budget line of each department, as recommended. Upon roll call, those voting in favor were Mangum, Leeuwrik, Nichols and Paulsen. Cheatum voted in opposition to the motion. The motion passed.



AGENDA ITEM NO. 6:
HUMAN RESOURCES DEPARTMENT/ WELLNESS:

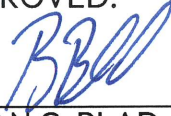
Heather Buchanan, Human Resources Director, was present to give a presentation. She provided an early review of FY26 expenditures, noting most costs are soft expenses such as office supplies, trainings, and memberships. The Wellness Program proposal included a \$14,000 allocation from reserves to pilot a wellness app offering fitness tracking, coaching, and health resources. Costs are per enrollee; unused funds would return to reserves.

Council discussed participation levels, morale benefits, and potential impact on medical claims. Insurance representatives noted large claims are largely unavoidable but affirmed wellness programs improve engagement and preventive care. Council shared their support for further consideration of the wellness app in the FY2026 budget development process.

AGENDA ITEM NO. 7:
ADJOURN

There being no further business, Mayor Blad adjourned the meeting at 12:06 p.m.

APPROVED:



BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:



KONNIR. KENDELL, CITY CLERK

